Charges on Vellergan Tablet

3782. DR. RATNAKAR PANDEY: Will the PRIME MINISTER be pleased to refer to the answer to Starred Question 210 given in Rajya Sabha on 5th December, 1991 and state:

(a) whether it is a fact that over 600 per cent MAPE is being changed on Vallergan Tablets and their prices have increased 3.5 times after decontrol;

(b) what is the maximum MAPE which is allowed as a yardstick to restrict prices of decontrolled formulations;

(c) whether it is also a fact that Government have developed certain ground rules for monitoring the prices of price-decontrolled medicines;

(d) if so, the details thereof and if not, the basis of selection of products for monitoring; and

(e) what steps are contemplated by Government to bring down the price of Vallergan to give relief to the common man and bring down profiteering?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (e) Information shall be collected and laid on the Table of the House.

(b), (c) and (d) As per DPCO, 1987, MAPE at the rate of 75% and 100% on the ex-factory cost is allowed in respect of Category I and Category II formulations respectively. In respect of non-scheduled formulations, manufacturers are free to fix/revise their own prices. As per the approach adopted at present, whenever the price increase or MAPE charged in case of a non-scheduled formulation appears to be unreasonable, companies are asked to justify the increase in the prices. In case adequate justification does not exist, companies are prevailed upon to reduce the price in the overall interest of the consumer.

Revision of Prices of Bulk Drugs

3783. SHRIMATI BIJOYA CHAKRAVARTY:
SHRI H. HANUMANTHAPPA :

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1339 given in Rajya Sabha on 5th December, 1991 and state:

(a) whether it is a fact that Government have revised the prices of bulk drugs based on four years old consumption norms and 23% devaluation rate;

(b) whether it is a fact that improprieties have been committed and well laid down principles have been violated in giving price hikes in August/Sept., 1991;

(c) what are the details of laid down principles subject to which price increase, are allowed;

(d) whether it is a fact that producers have got the benefit in August but they are yet to import several of the imported intermediates involved; and

(e) if so, names of the companies, names of the drugs where intermediates involved were imported before October, 1991?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (e) The prices of 55 bulk drugs were revised by the Government due to change in exchange rate of rupee on the basis of cost data available with the Government and in consultation with the BICP and in accordance with the provisions of DPCO, 1987. The prices of these bulk drugs were revised on or after 30th August, 1991. The impact of this increase in the prices of formulations was allowed after a gap of more than three months after the announcement of change in exchange rate of rupee against major foreign currencies.

Formulation prices of Phenobarbitone Sodium

3784. SHRIMATI BIJOYA CHAKRAVARTY:
SHRI H. HANUMANTHAPPA :

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1339 given in Rajya Sabha on 5th December, 1991 and state:

(a) whether formulation prices of Phenobarbitone Sodium are based on the landed cost of import;

(b) when the prices of formulations were fixed and what was the landed cost of import adopted in fixing these prices from time to time after the announcement of DPCO, 1987;

(c) when indigenous price of the drug was four to five times the CIF price why the drug is being produced in the country; and

(d) why has it been reserved for the public sector?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) As per available information, there is only one formulation, namely, Garion Tablets which is based on Phenobarbitone Sodium. The price of this formulation was fixed on 19-8-1989 under DPCO, 1987. While fixing the price, landed price of Phenobarbitone Sodium @Rs. 511.01/kg. was taken into account.

(c) Due to price difference between indigenous and imported Phenobarbitone Sodium, IDPL has curtailed its production.

(d) Phenobarbitone Sodium was reserved for public sector way back in 1978. The existing drug policy is presently under review of the Government.

Bulk Drugs produced by IDPL and HAL

3785. CHOWDHARY RAM SEWAK:
SHRI SANTOSH KUMAR SAHU :

Will the PRIME MINISTER be pleased to refer to the answr to Unstarred Question 1313 given in Rajya Sabha on the 5th December, 1991 and state:

(a) what are the bulk drugs produced by IDPL and HAL which are giving them positive contribution and what is the extent of contribution of each;

(b) whether it is a fact that comparative cost of competitors is much lower;

(c) if so, names of drugs which are being produced by other units and are having lower cost of production;

(d) whether any cost-cum-technical study conducted on any of these drugs of these units;

(e) if so, the details thereof;

(f) what are the names of drugs for which technologies were purchased; plants were installed, production was not effected;

(g) that was the cost of each technology and plants and machinery involved in each of these drugs; and

(h) what steps have been taken to prevent wasteful use of raw materials, purchase of substandard raw materials and purchases at high rates?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) The information about contribution, cost of production is of the nature of commercial intelligence and disclosure of such information may not be in the commercial interest of the companies.

(c) There are a number of units manufacturing bulk drugs. The information on capacity, production in the organised sector is a published information and is available in the "Indian Drugs Statistics".

(d) and (e) The Bureau of Industrial Costs and Prices conducts periodical and specific studies of the cost of drugs. The details of cost of production and related matters are commercial information and generally not disclosed.

(f), (g) and (h) Indian Drugs & Pharmaceuticals Ltd. has reported that there were two bulk drugs, namely, Doxycycline & Erythromycin for which the technology was purchased, plants were installed and production subsequently discontinued because of uneconomic cost. The production of Doxycycline and Erythromycin was taken up in 1979-80 and 1980-81 respectively. A part of the equipment has been put to alternative use for production of Ampicillin and for expansion of Penicillin G. Efforts are being made by the company to obtain better industrial strain for Erythromycin. The technology for Erythromycin and Doxycycline was obtained at a total know-how fee of US$ 3.90 lakhs and the value of the plant and machinery (as on 31-3-1990) installed was Rs. 2.19 crores.

Hindustan Antibiotics Ltd. had obtained technology for manufacture of Vitamin C bulk and established production but subsequently discontinued on account of uneconomic cost. The technology was obtained free of cost. The cost of the plant and machinery installed was Rs. 2.65 crores (as on 31-3-1991). The plant and machinery has been put to alternative use. The purchase/procurement of raw materials is made in accordance with the rules and procedures of these Undertakings.